

**OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT  
CALIFORNIA HEALTH POLICY AND DATA ADVISORY COMMISSION**

1600 9th Street, Room 432  
Sacramento, California 95814  
(916) 654-1817 FAX (916) 654-1832



Proposed Minutes  
California Health Policy and Data Advisory Commission  
August 5, 2003

**Commissioners****Present:**

Corrinne Sanchez, Esq., Acting Chairperson  
Marjorie Fine, MD  
Janet Greenfield, RN  
Howard L. Harris, PhD  
Paula Hertel, MSW  
Peter Kezirian, Jr., Esq.  
Thomas McCaffery, MPA  
Hugo Morris  
Jerry Royer, MD, MBA  
Kenneth M. Tiratira, MPA  
William S. Weil, MD

**Absent:**

Bishop Bastien

**Staff Present:**

CHPDAC: Jacquelyn Paige, Executive Director; Anne M. Mox and Raquel Lothridge, CHPDAC Staff.

OSHPD: Dale Flournoy, Interim Chief Deputy Director; Deborah Ryan, Associate Director; Michael Kassis, Deputy Director, Healthcare Information Division; Diane Dargan, Manager, Healthcare Information Resource Center; and Kenny Kwong, Healthcare Information Division.

**Also in Attendance:**

Dorel Harms, California Healthcare Association; Earl Lui, Consumers Union; Robert Powell, California Healthcare Information Association; Susan Zepeda, Healthcare Foundation for Orange County; Tim Mullins, Department of Mental Health.

**Announcements:**

The Acting Chair Commissioner Corinne Sanchez introduced Raquel Lothridge, Executive Assistant, replacing Anne Mox, will be retiring on September 5<sup>th</sup>. Ms. Lothridge has been working with the Rural Health Policy Council for about two years and looks forward to working with us.

It was announced that most of today's meeting would be devoted to ethics training, which is required for Commissioners and staff, by statute, every two years.

### **Approval of Minutes:**

The minutes of the April 28, 2003 minutes were approved. The minutes of the June 9, 2003 meeting were approved with the deletion of Janet Greenfield as attending the meeting. It was clarified that the minutes also incorporated, by reference, the scenarios developed for the charity care discussion.

### **OSHPD Director's Report:**

In his absence, Dr. Carlisle, Director of OSHPD, asked Dale Flournoy to comment on the budget and to give a brief overview of pertinent legislation.

OSHPD principally operates with special funds. With respect to General Fund, there will be a reduction of less than \$100,000, which represents the appropriate share of General Funds received. The other adjustments are to the special funds, the Cal-Mortgage, Health Information Division, and Facilities Development Division. This has been dealt with by vacant positions, which were deliberately held vacant. The Office is compiling a surplus list of architects and engineers, and a couple of positions will probably be effected by this list.

The Office is working with the Department of Finance on next year's budget. With budget initiatives being enacted, the Office will still be dealing with implementing the current budget enactment.

Ruben Jiminez has recently been appointed to the position of Deputy Director, Administration Division. Tacia Carroll has been appointed Interim Acting Deputy Directory, Cal-Mortgage Loan Insurance Division, temporarily replacing Dale Flournoy.

The Coronary Artery Bypass Graft (CABG) report will soon be released. The Technical Advisory Committee will be on September 5.

### **Legislation:**

AB 232 (Chan) would require each hospital to develop a self-pay policy, specifying how the hospital would determine prices to be paid by self-pay patients, require notification of that policy to the public, and require the Office to develop a uniform self-pay application. The Senate Appropriations Committee will hear this proposal beginning the week of August 18.

AB 820 (Nakanishi) would require the Office to administer the National Health Service Corp state loan repayment program to ensure that those grants are divided equitably between urban and rural sites.

AB 938 (Yee) would affect the mental health development fund and mental health professions, providing additional funds and training in that area.

AB 948 would allow foreign-trained medical doctors to practice in California, under the sponsorship of physicians already licensed. The Medical Board is taking the lead on this bill.

AB 1241 relates to funding for associates degree nursing training for RNs and some allocation of funding for the Central Valley.

SB 358 (Figueroa) relates to work force improvements with respect to licensed vocational nurses.

AB 1627 (Frommer) would require hospital charge masters to be submitted to the State of California, and OSHPD to become the library repository for release to the public. This would include billable services and products with hospitals.

AB 1629 would require that hospitals report financial data to OSHPD, with respect to its affiliates, commencing January 1, 2204, and would require OSHPD to publish a risk-adjusted outcomes report for coronary angioplasty surgery, commencing July 2006. This bill is moving along. It is thought the bill will be amended to say that OSHPD should consider publishing the report.

AB 1154 would exempt the Facilities Development Division (architects and engineers) from the current State Government hiring freeze.

It was noted that committee analyses are available on the web at [www.leginfo.ca.gov](http://www.leginfo.ca.gov).

There was some discussion about AB 1627. Dr. Royer noted that the hospital charge master is used as an internal management tool, which tracks various cost items.

Question was asked if OSHPD had a position on the bill. It was explained that the Governor's Office directs the Administration's position on bills. Departments cannot take positions without approval from the Governor's Office.

A representative from the Consumer's Union said his organization and other consumer groups, labor, and senior groups support the bill. Hospital costs have been the fastest rising component of healthcare, and there is a need to have hospital charges available to the public for accountability purposes.

The bill has been amended several times. It was thought the only reason the State would want this information would be if it pertained to public policy issues.

The number of items to be reported estimated to be in the millions. The most complex part of the charge master is pharmaceuticals, because each dose of a particular drug is listed separately and has different charge master codes. About 300 drugs cover 90 percent of the drugs used in the hospital and all of them have multiple codes. With the budget decrease, the collection and dissemination of this information would be very costly.

Ms. Paige explained that OSHPD is not involved in the dialogue concerning the bill at this time, and it is not the role of the Commission to take a position on the bill. Individual Commissioners can provide input through avenues other than the Commission, such as through organizations and trade associations.

It was suggested that the Commission's frustration over not being able to give formal advice be communicated to the Director.

### **Charity Care:**

Michael Kassis, Deputy Director, Healthcare Information Division, reported on the status of regulations on charity care. Kenny Kwong and Tim Pasco prepared a four-part document, for information only, consisting of:

- Summaries of issues presented at the April 28 meeting.
- Summary of responses to scenarios presented to the panel at the April 28 meeting
- Health and Safety Code Section discussing OSHPD's role in this area.
- Proposed modifications to the current annual financial disclosure report.

OSHPD is in a "hold mode" and is watching the progress of AB 232 (Chan), which contains amendments about how hospitals will handle charity care reporting and unsponsored patients.

Questions were raised as to whether the Health Data and Public Information Committee (HDPIC) will be involved. This may not be necessary if the proposed regulation package goes forth. If substantive changes are made, based upon further developments, these could be presented to HDPIC.

Commissioner McCaffery said there are still a couple of tentative conclusions that he thought to be policy relation, as opposed to accounting or reporting related.

### **Appeals Committee:**

Commissioner Harris reported that the Appeals Committee met on June 2 to hear an appeal to adjust the penalty for delinquent data report filing by a facility in Martinez. There was an extensive fine as a result of a fire, illness, and out-of-the-country travel. The penalty was adjusted for compassionate reasons.

The afternoon was devoted to ethics training for the Commissioners and Executive Director.

The meeting was adjourned at 2:45 p.m.